IN THE CLAIMS

Please amend claim 8 by rewriting same to read as follows.

--8. (Amended) A method for reproducing audio signals using a portable apparatus comprising the steps of:

storing digitized and high-efficiency compression encoded audio data in a user removable semiconductor memory;

reading out data stored in the semiconductor memory and decoding the read-out data by performing an operation that is an inversion of the compression encoding;

converting digital data output from the decoder into analog signals;

receiving the analog signals from the digital/analog converter and converting the analog signals from the digital/analog converter using an earphone unit into acoustic sounds for listening by the user; and

containing the semiconductor memory, the decoder the digital/analog converter, and the earphone unit in a lightweight housing adapted for placement on a user's head, and wherein the operation of compression encoding comprises the steps of dividing input digital signals into a plurality of frequency bands such that bandwidths of the bands are broader for progressively higher frequency bands and each frequency band has a corresponds energy level, setting an allowable noise level on a band-by-band basis in accordance with the energy level of each frequency band, including setting the allowable noise level for a given energy

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